

MINUTES OF THE CITY COUNCIL

CITY OF AUSTIN, TEXAS

Recessed Meeting

June 30, 1949

2:30 P.M.

The meeting was called to order with Mayor Glass presiding.

Roll call:

Present: Councilmen Drake, Johnson, Long, MacCorkle, Mayor Glass
Absent: None

Present also: Guiton Morgan, City Manager; Trueman E. O'Quinn, City Attorney; J. E. Motheral, Director of Public Works; William Parker, Planning Supervisor; John E. Eckert, Building Inspector.

The Mayor stated the matter of a 25 foot setback on Lamar Boulevard would be discussed at this time.

MR. M. H. CROCKETT appeared before the Council in the interest of his property at 34th and Lamar Boulevard, which property under the present zoning regulations has a 25 foot setback.

MR. C. J. ARMSTRONG spoke before the Council in the interest of his property at 30th and Lamar Boulevard and 34th and Lamar. It was brought out in this discussion that Mr. Armstrong would not be materially hurt by the set-back.

MR. ROBERT AMMANN appeared before the Council regarding his property at 38th and Lamar. After discussion it was thought a variation might be needed on this property.

MR. HENRY CAIN, 3009 Lamar, made inquiry about his property which was non-conforming at the present time. He was advised he would not be affected unless he rebuilt.

MRS. SUE FERGUSON, 35th and Lamar, inquired about her property. It was brought out there might be some damage to this property, and the Council wanted to make an inspection of property.

The City Manager was instructed to review these statements with the Director of Public Works and City Attorney.

A group representing the ASSOCIATED GENERAL CONTRACTORS appeared before the Council with DEAN MOREHEAD as their spokesman. Mr. Morehead stated the Associated General Contracts had approximately 125 members. He stated the General Contractors in Austin wanted to give the Council the benefit of their ideas concerning the sort of policy to adopt with respect to City construction projects. The City should adopt a rule with few or no exceptions that all city construction will be let by contract to private contractors on competitive bidding. He stated the contractors represented a big enough segment of the City to be coming up with with a considerable degree of public interest.

MR. MOREHEAD continued stating that the National office of the Associated General Contractors had gone in with their auditors and figured on costs where municipalities had done their won work, and gave a specific example as follows: On a sewer job, the low bid was \$338,000, but the cost was \$435,000. The City Hall, \$330,000, but the cost was \$775,000. An exhibit Building was bid at \$44,000, but cost \$86,000. The State Highway Department is an example of letting private contractors do the work. Houston is an example of Texas Cities; the Army Engineers let everything on contract. The Bureau of Reclamation lets everything out by contract. When working by force account, plans and specifications are not worked out. The Texas Municipal Branch of the AGC studied 65 Texas Cities, and found that work that was done on force account was not done with plans and specifications. When work is done on force account, the estimates are made, but there is no assurance that that estimate is all that will be spent. The City will have to pay it or corners will have to be cut--under contract the City knows exactly what the costs will be in advance. He stated the present City Manager of Houston, an ex-city manager of Dallas, and a third gentleman were all unanimous in their opinion that force account work in a city was bad because there would be a transfer of materials, transfer of employees from one payroll to another--and no matter how diligently it was tried to keep within the estimate, all down the line, these transfers were made.

With reference to the WALLER CREEK JOB, Mr. Morehead stated that Bland was the low bidder at \$248,000, and the city felt it could do the job for \$162,000. Mayor Glass stated the Council had invited the contractors to put an auditor on that job, as the City wanted both the contractors and the City to be satisfied. MR. MOREHEAD stated the job was being watched by several contractors, and it was their opinion that it was not going to be finished for \$162,000. He stated the contractor got bad publicity and were charged with being in error on Waller Creek estimates. He brought out the fact that vacations, sick leave, and retirement were things that never showed up as a part of the cost of a job. Mr. BLAND stated many contractors did not want to come to Austin to contract jobs, as there was too much rock, and Mr. Waggoner stated that many contractors here did not want the Waller Creek job.

MR. MOREHEAD stated he would like to see the City adopt a policy and make public its estimates at the time the bids were opened; and if there was a disparity, then readvertise; and if the City were not satisfied, readvertise; but the contractors were strongly of the belief that the City did not belong in the contracting business; but that it belonged in the engineering, planning, supervising, and inspecting business, and those branches of government could not be too strict or too efficient.

The City Manager in answer stated he would just pass on the remark that there was danger of building up a political machine as having no basis, and stated there had been no specific charge made; but if there were some specific charge, he would like to hear it. If there were a juggling of payrolls, he stated he did not know of that. All materials were charged out to the jobs where used; and there was no juggling.

The City Manager stated he would recommend any suggestions if they had anything specific to suggest. When the City took bids, and bids were lower than the City estimates, it was in the interest of the taxpayer to accept the low bid and let the contractor do the work. He stated on the WALLER CREEK JOB, that it was recommended to the Council in the interest of economy of public money that the City undertake to do the job. If it costs the City \$200,000, \$48,000 will be saved; and that the contractors on that job were not in agreement on what they could do the job for. He stated the City was interested in the saving to Austin water, sewer, electric and paving costs, and not in using more employees, equipment, or in building a big organization; and that when the work could be contracted, it was. He asked if there was any definite question; if so, the records would be brought out and they could be shown any figures or costs they wanted. If money could be saved for the City to do the work, then a recommendation to the City Council would be made that the City do the job. He stated further that the City had to have maintenance and that if an emergency arose, it was well to have trained men to do the job quickly, and that a City had to do certain types of work--minor street jobs, repair sewer lines, etc., and that the City did not want to do any more contract work than economy justified.

Mr. Kitchens stated he hated to see the City buy expensive equipment that the contractors already had, and that the contractors thought they could save the City money, and asked that the City limit its construction to a minimum whereby the city could keep only a maintenance force.

The City Manager stated if they had anything specific, he would be glad to submit the exact figures.

The Council recessed subject to call of the Mayor.

Approved:

Taylor Blass
Mayor

Attest:

Chas. J. Stanley
Acting City Clerk